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CENTRAL INTELLIGENCE AGENCY Washington, D.C. 20505 OXCART

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MEMORANDUM FOR:

Comptroller, National Reconnaissance Office

SUBJECT

Funding of U-2R

- l. It has been brought to our attention by Lockheed Aircraft Corporation that, with the approval of four additional U-2R's for FY 1968, the government can realize significant savings through long lead time procurement and by fabrication of certain fuselage parts on the basis of a 12-buy as opposed to an 8-buy. It would be costly to remove the jigs from the plant now and then return them in July for the last four aircraft.
- 2. We have, with your verbal concurrence, authorized Lockheed to proceed with the advance procurement and fabrication to take advantage of the savings. The additional costs for FY 1967 and there will be a corresponding reduction in the programmed costs for FY 1968. The additional sums required in FY 1967 can be covered by reprogramming savings which will be realized as a result of cut backs in other areas. Program reductions in specific line items will be reported to you as soon as we obtain definitive guidance in the phase out of CXCART.

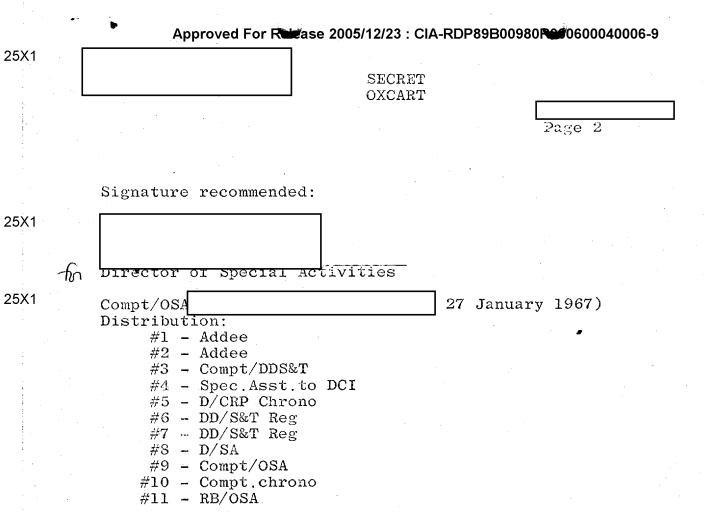
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CARL E. DUCKETT

Director, CIA Reconnaissance Programs

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